



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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August 7, 1991

TO: Minerals File

FROM: Holland Shepherd, Senior Reclamation Specialist *HWS*

RE: Site Inspection, MiVida Mine, Minerals West and Energy Fuels,
M/037/028, San Juan County Mine,

Date of Inspection: August 2, 1991

Time of Inspection: 9:00 a.m. - 12:00 p.m.

Conditions: Hot, sunny

Participants: Roger Smith, Muril Vincelette, Wallace May, Wayne Wright, Energy Fuels; Holland Shepherd, Wayne Hedberg, Lowell Braxton, DOGM

Energy Fuels is preparing to reclaim the MiVida mine site. This inspection was performed to discuss reclamation plans with Energy Fuels and to incorporate plans which would include the preservation of historical values on the site. Energy Fuels has assumed the responsibility of operating the mine site from Minerals West. Energy Fuels made an agreement, in 1986, with Minerals West to purchase the site from them. Minerals West appears to be completely out of the picture. Mr. Tom Nielson of Minerals West was contacted several months ago about cleaning up and reclaiming the site. He never responded to our request. The current surety on the site has been posted by Minerals West.

The first portion of the site that we looked over was the McCormick Tunnel area. This area is composed of a large ore bin, a large portal, several ore cars parked to one side of the pad, a fair amount of debris, a large waste dump, turnaround pad and two access roads. We discussed preserving some portions of this area with the operator. We talked about filling up the large ore bin with earthen material to eliminate the safety hazard. The bin is about 60 feet deep, 30 feet long and 15 feet wide. It is an extremely large structure and would be very expensive to take out and reclaim. Some rail cars are attached to the bin, an old rail once came out of the McCormick Tunnel and emptied into this area. Several old uranium ore cars are still parked outside of the mine to the northwest of the portal and north of the bin. We would attempt to preserve these ore cars.

The waste dump would be regraded to a more stable configuration, then reseeded. Presently this waste dump has been impacted by a large rainfall event that must have happened within the last two or three weeks. A large section of the waste dump has been eroded through, exposing the old waste materials and carrying much of the waste dump down into the stream channel. We determined that much of the erosion that caused this problem resulted from water coming out of the McCormick Tunnel and impacting the site of the waste dump. The water probably originated from runoff water entering the mine, either through cracks/fractures or through other mine portals towards the top of the mountain.

The next area that we evaluated, involved the area which had been the original MiVida mine site, and what later became the Minerals West focus of operations. The old office house/cook house/wash house, still stands in this area of the mine. We discussed the necessity of removing this structure, as it would pose a stability safety hazard in years to come. Also, an old metal headframe which, according to Roger Smith, was built by Atlas, still stands in this area. The headframe is located above a shaft. The shaft goes down about 100 feet and is open. Attached to the headframe is a metal hoist house. We discussed the need of removing both the hoist house and the headframe and sealing the shaft.

The Minerals West decline is also located in this area. It is presently open, not gated. This decline would be plugged and sealed as well. This part of the mine also contains another large waste dump which would be graded out and replanted. According to Roger Smith, this portion of the site contains the original Charlie Steen, MiVida mine tunnel. The portal and tunnel is located just west of the Minerals West decline. Energy Fuels indicated that they would seal up this tunnel as well. This tunnel opening was also wide open. It appeared that a large portion of runoff had entered the mine via this portal and was probably causing the erosion problem down lower where the McCormick Tunnel opens up.

All of the portals and shafts that we inspected today were open. About a year and a half ago, when I had inspected the site the last time, most of these features were closed.

We discussed the need to preserve some of the historical values at the MiVida site with the Energy Fuels representatives. They too, are concerned that some of the historical values are preserved at the site and are willing to discuss how to go about preserving those values and how to incorporate this into the reclamation plan for the MiVida.

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We indicated to Energy Fuels, that we still needed to speak to the San Juan County representatives, who will be contacting us later in regard to the MiVida and its historical value. I had previously contacted a Lavern Pate, of San Juan County, in regard to their interest in the MiVida mine site. I have not, at this time, heard back from Ms. Pate. I hope to be contacting them by the middle of the month of August.

Also, I have spoken to a David Shire, of the Utah Historical Society, about the MiVida. He indicated to me that there was a good chance that it could be put on the historic register, as it is something that was of primary national importance during its time, in regard to the need for the development of uranium. The site is not 50 years old, as is the basic requirement for sites which are to be put on the national historic register. However, it does fit into another category, that of exception historical significance, so could qualify for the register. *exceptional*

Mr. Shire indicated that it would be a good idea to take a lot of pictures during this inspection, document the historical values on the site, sit down with the Historical Society and discuss further what might or might not be preserved on the site. Pictures were taken during this inspection and will be made available to the file as soon as they have been developed.

The operator, Energy Fuels, was surprised to hear that the remaining reclamation surety was not as high as they had hoped. The amount is somewhere in the area of \$18,000. The operator had thought that interest had been accumulating on the Certificate of Deposit during the last 12 years. However, the Division does not typically hang on to the interest generated by mine sureties, unless the operator is in violation of the mining reclamation agreements. About three months ago, we stopped returning the interest to the operator, due to the fact that we felt the Division would have to eventually implement forfeiture proceedings to obtain the bond. The operator and the operator's bank had requested that the interest be released, but the Division has refused the request.

Mr. Vencillette indicated that to do everything right at the MiVida, regarding reclamation, it would require about \$500,000. This estimate may be a little high; however, the operator is correct in that it will require more than the \$18,000 in surety that is currently being held for the mine site. The operator indicated that there would be a financial hardship in reclaiming everything at the site; however, conceded that the elimination of the safety hazards was important, along with stabilizing critical portions of the site.

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Getting the \$18,000 to Energy Fuels is a question that was not addressed during this inspection. The bond money is under the name of the Division and Minerals West, and not in the name of Energy Fuels. This is a legal question that would have to be addressed if Energy Fuels does, in fact, go through with the reclamation.

The next step in resolving the questions that are posed by the reclamation of the MiVida is to work out the historical value details with the Historical Society people, with the state and with San Juan County.

It is important that the questions regarding the MiVida become resolved as quickly as possible, as the operator is ready to move with the reclamation. The operator has mobilized equipment and manpower into the area and is presently reclaiming some other mine sites.

We also looked at the portion of the MiVida site called the Expectation Tunnel. The Expectation Tunnel is found in the next canyon north of the main MiVida mine site. This site is accessed by taking an extremely poor road off of the main county road (the graded county road that extends from the MiVida site down into the Lisbon Valley area).

The Expectation Tunnel was permitted, along with the Minerals West Decline area of the site and the McCormick Tunnel. It was mined by Minerals West in the early 80's. The site consists of a portal, some small waste dumps, access road, quite a large amount of debris (trash), and some buildings (now falling apart). There is also the remnants of an old substation. Because this site has been included in the MiVida permit, it would also have to be reclaimed as part of that permit package.

Apparently Energy Fuels was not aware that this was a part of the permit package and during our inspection, was hesitant to commit to doing any reclamation on this portion of the site. The reclamation details of this portion of this site will have to be worked out with Energy Fuels in the near future.

jb
cc: Roger Smith, Energy Fuels
Lowell Braxton
Wayne Hedberg
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